

Message Text

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SUBJECT: LOCAL VIEW OF PROPOSED SPECIAL ADMINISTRATIVE REGIMES FOR
BASQUE PROVINCES

REF: 76 BILBAO A-4

1. AMCONSUL BILBAO CALLED UPON JESUS DORAO ALNZAGORTA, CHIEF OF THE DEPARTMENT OF ECONOMIC STUDIES IN THE VIZCAYA CHAMBER OF COMMERCE, TO DISCUSS THE PROPOSED SPECIAL ADMINISTRATIVE REGIME (SAR) FOR THE PROVINCES OF VIZCAYA AND GUIPUZCOA. SR. DORAO IS ECONOMIC ADVISOR TO TWO OF THE ORIGINAL MEMBERS OF THE SAR STUDY COMMISSION, PRESIDENT OF THE VIZCAYA CHAMBER OF COMMERCE ENRIQUE GUZMAN AND PRESIDENT OF THE VIZCAYA BUSINESSMEN'S COUNCIL LUIS OLARRA. IN ADDITION TO WRITING SEVERAL ARTICLES ON THE SUBJECT FOR THE LOCAL PRESS, HE DRAFTED THE CHAMBER OF COMMERCE CRITIQUE OF THE ORIGINAL DRAFT PREPARED BY THE VIZCAYA DIPUTACION (PROVINCIAL COUNCIL--REFAIR). AMCONSUL BILBAO'S SUMMARY OF HIS CONVERSATION FOLLOWS.

2. DORAO BEGAN BY BRIEFLY REVIEWING THE HISTORY OF THE ABOLITION OF THE BASQUE FUEROS (STATUTES OF AUTONOMY) AND THE WORK OF THE STUDY COMMISSION. THE 1839 TREATY OF VERGARA ENDING THE FIRST CARLIST WAR NOMINALLY RETAINED THE FUERROS OF THREE OF THE BASQUE PROVINCES (VIZCAYA, GUIPUZCOA, AND ALAVA) BUT IN FACT UNDERCUT THEM DRASTICALLY. THE FOURTH BASQUE PROVINCE, NAVARRA, WAS ABLE TO

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PRESERVE ITS PRIVILEGED STATUS VIA A PACT WITH THE CENTRAL GOVERNMENT NEGOTIATED IN 1841. AT THE CONCLUSION OF THE LAST CARLIST WAR, THE LAW OF 1876 DEFINITELY TERMINATED THE BASQUE PROVINCES' FUEROS, ALONG WITH THEIR LEGISLATIVE BODIES (JUANTAS GENERALES). ACCORDING TO DORAO, THE RESENTMENT THIS GENERATED EVENTUALLY LED TO THE FORMATION OF THE BASQUE NATIONALIST PARTY. IN 1878, AS A CONCILIATORY STEP, THE GOVERNMENT GRANTED A SERIES OF SPECIAL ECONOMIC AGREEMENTS

(CONCIERTOS ECONOMICOS) WHICH ENABLED THE PROVINCES TO RETAIN A CERTAIN AMOUNT OF THEIR REVENUES TO USE WITHOUT ACCOUNTABILITY TO THE CENTRAL GOVERNMENT. THESE PRIVILEGES WERE LOST BY VIZCAYA AND GUIPUZCOA IN 1937 AS A PENALTY FOR BEING ON THE WRONG SIDE IN THE CIVIL WAR. IN RESPONSE TO INCREASING UNREST IN THE BASQUE PROVINCES, A GOVERNMENT DECREE OF NOVEMBER 7, 1975 CREATED AS STUDY COMMISSION TO DRAFT A PLAN FOR SPECIAL ADMINISTRATIVE REGIME FOR VIZCAYA AND GUIPUZCOA BY JUNE 1976. ALTHOUGH THAT DEADLINE WAS NOT MET, ON OCTOBER 30, 1976, DECREE LAW 20-1976 ABOLISHED THE 1937 REVOCATION DECREE IN ANTICIPATION THAT THE NEW ADMINISTRATIVE REGIME WOULD EVENTUALLY TAKE THE PLACE OF THE DEFUNCT CONCIERTOS ECONOMICOS. FINALLY, ON DECEMBER 14, THE COMMISSION DELIVERED ITS CONCLUSIONS TO THE PRESIDENT, AND THESE WERE REPORTEDLY PRESENTED TO THE KING ON JANUARY 12, 1977.

3. DORAO SUMMED UP THE NEW SAR AS TOO LITTLE AND TOO LATE. HE NOTED THAT SEVEN MEMBERS OF THE ORIGINAL STUDY COMMISSION HAD WITHDRAWN LAST SEPTEMBER SAYING THAT THE EVOLUTION OF THE COUNTRY DURING THE TEN MONTHS OF THEIR ENDEAVOR HAD MADE IT USELESS TO CONTINUE WITH A TASK "WHOSE STERILITY IS MANIFEST." SIX WEEKS LATER, ANOTHER COMMISSION MEMBER WITHDREW FOR SIMILAR REASONS, CONVINCED THAT BY FAILING EVEN TO CONSIDER THE QUESTION OF REAL REGIONAL AUTONOMY THE ACTUAL ASPIRATIONS OF THE BASQUES WERE BEING IGNORED. MOREOVER, DORAO INDICATED THAT FROM A FINANCIAL STANDPOINT, THE SAR WOULD BE INFERIOR TO THE OLD CONCIERTOS ECONOMICOS, SINCE THE TWO PROVINCES WOULD ONLY RECEIVE A CERTAIN PARTICIPATION IN THE "GLOBAL" REVENUES OF THE CENTRAL GOVERNMENT, RATHER THAN BEING ABLE TO KEEP ALL TAXES COLLECTED AFTER DELIVERING A FIXED AMOUNT TO MADRID, AS UNDER THE CONCIERTOS ECONOMICOS. THUS THE SAR DOES NOT EVEN PRO-

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VIDE A REAL DECENTRALIZATION OF FINANCIAL MANAGEMENT, MUCH LESS AUTONOMY, THE ULTIMATE GOAL OF THE BASQUE NATIONALISTS.

4. DORAO INDICATED THAT THE MOST IMPORTANT FEATURE OF THE SAR WILL BE THE RESTORATION OF THE JUNTAS GENERALES, WHICH WILL BE COMPOSED OF REPRESENTATIVES FROM EACH PROVINCIAL MUNICIPALITY. LEGISLATIVE POWERS, HOWEVER, ARE RATHER NARROWLY DEFINED, WITH ELECTION OF THE DIPUTACION AND APPROVAL OF THE BUDGETS APPARENTLY INTENDED TO BE THEIR MOST IMPORTANT FUNCTIONS. ALTHOUGH DORAO DOES NOT EXPECT THEM TO BEGIN TO FUNCTION UNTIL AFTER MUNICIPAL ELECTIONS IN THE LATTER PART OF THIS YEAR. HE BELIEVES THAT THEY WILL EVENTUALLY ASSUME THE ROLE OF NEGOTIATING A STATUTE OF AUTONOMY WITH THE CENTRAL GOVERNMENT IN 1978.

5. COMMENT: THE BASQUES GREETED THE RECENT ABOLITION OF THE 1937 DECREE (WHICH TOOK AWAY THE CONCIERTOS ECONOMICOS FROM VIZCAYA AND GUIPUZCOA) WITH A YAWN. EVEN THOUGH THE SAR IS, IN SOME RESPECTS, WIDER IN SCOPE THAN THE OLD CONCIERTOS, IT WILL BE CRITICIZED AS ONLY HALF A LOAF

WHENEVER IT COMES INTO FORCE (THE GOS HAS DIVULGED
NEITHER THE DETAILS OF THE PROPOSAL NOR WHEN IT MIGHT
BE ENACTED INTO LAW). THE BASQUES SEEM LITTLE INCLINED
TO ACCEPT WHAT THEY REGARD, NOT ALTOGETHER ACCURATELY
AS TOKEN GESTURES. STABLER

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